EXHIBIT 25

PUBLIC VERSION

FILED
02-29-08
04:59 PM

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standards Program.	)))))	Rulemaking 06-05-027 (Filed May 25, 2006)

**SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)
AMENDED 2008 RENEWABLE PROCUREMENT PLAN**

****REDACTED, PUBLIC VERSION**
(SUBJECT TO MOTION TO FILE UNDER SEAL)**

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SAN DIEGO GAS & ELECTRIC COMPANY

February 29, 2008

SAN DIEGO GAS & ELECTRIC COMPANY
2008 RENEWABLE PROCUREMENT PLAN

Commission authorization to recover the costs associated with rebalancing its capital structure to the authorized structure in the cost of capital or other appropriate proceeding. To the extent that individual executed PPAs will impact SDG&E's capital structure, SDG&E will seek relief in its cost of capital or other appropriate proceeding.

9. SELF-BUILD RENEWABLE RESOURCES

As in past years, SDG&E plans to issue a RPS solicitation in 2008 which includes the opportunity for bidders to offer ownership opportunities to the utility in order to achieve 20% by 2010. The RFO will include both turnkey development and PPAs. SDG&E may also consider building its own renewable generation through green field development, which normally takes 3-5 years to complete. This could take a range of forms from SDG&E acting as outright and sole developer of a project to a joint ownership structure where SDG&E assists a smaller developer, acting as financier or adding other expertise such as regulatory, legal, or permitting.

SDG&E's decision to become a developer of renewable resources will be influenced by the likelihood that SDG&E's involvement in a project (as sole or joint developer) would enhance that projects prospects of successful completion. Impediments to timely development in these areas include: (i) the fact that sites with higher capacity factors located in areas with access to transmission have already been developed by other developers, (ii) the lack of a construction/development group within SDG&E. The Commission should remember that it has in the recent past strongly encouraged SDG&E to exit the development business – re-entering that field is a significant undertaking that is not currently contemplated in SDG&E's GRC, (iii) the trend towards ownership of development companies by financial investors who are now looking to own completed

EXHIBIT 26

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)
[X] Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2003

OR
[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ------ to -------

SEMPRA ENERGY
(Exact name of registrant as specified in its charter)

CALIFORNIA	1-14201	33-0732627
(State of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

101 ASH STREET, SAN DIEGO, CALIFORNIA 92101
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (619)696-2000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
Common stock, without par value	New York and Pacific
Mandatorily redeemable trust preferred securities	New York
Equity units, due 2007	New York

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [ ]

Exhibit Index on page 44. Glossary on page 52.

Aggregate market value of the voting stock held by non-affiliates of the registrant as of January 31, 2004 was $7.1 billion.

Registrant's common stock outstanding as of January 31, 2004 was 227,231,411 shares.

DOCUMENTS INCORPORATED BY REFERENCE:
Portions of the 2003 Annual Financial Report to Shareholders are incorporated by reference into Parts I, II, and IV.

Portions of the Proxy Statement prepared for the May 2004 annual meeting of shareholders are incorporated by reference into Part III.

TABLE OF CONTENTS

SEMPRA ENERGY RESOURCES

SER is an energy company engaged in the development, construction, ownership and operation of power generation facilities and the sale of electricity, primarily in the western United States.

In May 2001, SER entered into a ten-year agreement with the DWR to supply up to 1,900 MW of electricity to the state. SER may deliver most of this electricity from its plants in the western United States and Baja California, Mexico. Sales under the contract comprise more than two-thirds of the projected capacity of these facilities and the profits therefrom are significant to the company's ability to increase its earnings.

The company believes that SER's contract prices are just and reasonable, but has offered to renegotiate certain aspects of the contract (which would not affect the long-term profitability) in a manner mutually beneficial to SER and the state. Although the contract is subject to ongoing litigation and regulatory proceedings, both SER and the State of California are performing under this contract. Information concerning the litigation is provided in Note 15 of the notes to Consolidated Financial Statements in the 2003 Annual Report to Shareholders, which is incorporated by reference.

During 2003 construction was completed on the 1,250-megawatt Mesquite Power plant, with commercial operations commencing at 50% capacity in June 2003 and 100% capacity in December 2003. The project had been initially financed through a synthetic lease agreement. As a result of the implementation of *Financial Accounting Standards Board (FASB) Interpretation No. (FIN) 46, "Consolidation of Variable Interest Entities an interpretation of ARB No. 51,"* the company consolidated Mesquite Trust, the legal entity which owns Mesquite Power, in its consolidated balance sheet as of December 31, 2003. In January 2004, SER exercised the lease purchase option and acquired the power plant. See further discussion on FIN 46 in Note 1 of the notes to Consolidated Financial Statements in the 2003 Annual Report to Shareholders, which is incorporated by reference. Additionally, during 2003, construction was completed on Termoelectrica de Mexicali, a 600-megawatt power plant near Mexicali, and the Elk Hills Power Project (Elk Hills), both of which commenced commercial operations in July 2003.

In August 2003, SER obtained approval from the appropriate state agencies to construct the Palomar Energy project, a 550-megawatt power plant in Escondido, California. In October 2003, SDG&E announced that it plans to purchase the power plant from SER when construction is completed in 2006 if the CPUC approves the purchase. On October 3, 2003 SER entered into a cost reimbursement and sharing agreement with SDG&E that became effective December 1, 2003.

In October 2002, SER purchased a 305-megawatt, coal-fired power plant (renamed Twin Oaks Power) from Texas-New Mexico Power Company for $120 million. SER has a five-year contract to sell substantially all of the output of the plant.

begin in 2004 and commercial operations could begin in 2007. FERC approved the construction and operation of the project in September 2003.

In December 2003, SELNG and Shell International Gas Limited (Shell) announced plans to form a 50/50 joint venture to build, own and operate Energia Costa Azul, a LNG receiving terminal in Baja California on the west coast of Mexico, approximately 50 miles south of San Diego. The proposed joint venture will combine the two separate Baja California LNG receiving terminals proposed by Shell and SELNG into a single project. It is expected that construction will begin in 2004 with terminal operations commencing in 2007. The cost of the project is estimated to be $600 million. The terminal will be capable of supplying 1 billion cubic feet (bcf) of natural gas per day, half of which will be used to meet the growing energy demands in western Mexico. The proposed joint venture contemplates that SELNG and Shell would share the investment costs of the terminal equally and each would take 50 percent of the capacity of the terminal. Any surplus natural gas from the facility will be used to provide new natural gas supplies for the southwestern United States.

Also in December 2003, SELNG, British Petroleum and BPMiGas signed a non-binding Heads of Agreement (HOA) for the supply of 500 million cubic feet of gas a day from Indonesia's Tangguh LNG liquefaction facility to Energia Costa Azul. The non-binding HOA is expected to be the precursor to a full 20-year purchase/supply agreement.

Also in connection with this project, Mexico's national environmental agency issued an environmental permit in April 2003. Three other significant permits, an operating permit from Mexico's energy regulatory commission, a local land-use permit from the City of Ensenada and a coastal zone use permit, were granted in 2003. The permit to construct marine facilities is pending and expected to be received in the near future. In November 2003, a Mexican tribunal issued the equivalent of a preliminary injunction against a Mexican environmental agency's adoption of the environmental impact authorization covering the project. The injunction temporarily suspends the permit until the matter can proceed to a hearing on the merits of the authorization. Sempra Energy believes the suspension of these permits will be temporary and will not delay the 2007 commercial start date of the terminal.

Sempra Energy International

SEI's Mexican subsidiaries build and operate natural gas distribution systems in Mexicali, Chihuahua and the La Laguna-Durango zone in north-central Mexico. On February 7, 2003, SEI purchased the remaining minority interests in its Mexican subsidiaries.

NOTE 3. INVESTMENTS IN UNCONSOLIDATED SUBSIDIARIES

Investments are accounted for under the equity method when the company has an ownership interest of twenty to fifty percent. In these cases the company's pro rata shares of the subsidiaries' net assets are included in Investments on the Consolidated Balance Sheets, and are adjusted for the company's share of each investee's earnings or losses, dividends and foreign currency translation effects. Earnings are recorded as equity earnings in Other Income - Net on the Statements of Consolidated Income.

EXHIBIT 27

Sempra Energy Trading to Develop Michigan Gas Storage Facility; Announces Open Season for Customers

Sempra Energy Trading, the wholesale energy trading unit of Sempra Energy , today announced it has filed with the Michigan Public Service Commission (MPSC) for a permit to develop a natural gas storage facility in St. Clair, Mich. The company also announced an open season for the facility, named Bluewater Gas Storage, LLC, beginning today and extending through June 30, 2003.

Sempra Energy Trading owns the rights to develop the facility, and utilize its capacity to store natural gas for customers who buy, sell or transport gas in Michigan. The company is targeting a commercial operation date of April 2004, pending approval from the MPSC.

"With the current high demand for natural gas in the North American markets and projected shortfalls in long-term supply, storage facilities will play an increasingly important role in ensuring reliability during peak-demand periods," said David Messer, president of Sempra Energy Trading. "The strategic location near critical pipelines will make Bluewater Gas Storage a valuable asset in our portfolio to help serve our customers."

The facility will be constructed atop Columbus III field, a depleted oil and gas reservoir, which is one of the last remaining in Michigan not to have been converted into a gas storage facility. It is located near six natural gas pipelines, and has a storage capacity of 27 billion cubic feet.

According to Messer, 75 percent of Michigan's peak winter demand is met by stored gas. He added that Sempra Energy Trading will tailor its storage offerings to fit the needs of interested customers. When complete, the facility will be capable of delivering up to 700 million cubic feet of gas, per day.

Construction is slated to begin in the summer of 2003, pending MPSC approval. Parties who are interested in storage capacity or other services from the facility should contact Laura Luce at 203-355-5068, or lluce@sempratrading.com, or Geof Storey at 203-355-5055, or gstorey@sempratrading.com.

Based in Stamford, Conn., Sempra Energy Trading -- a subsidiary of Sempra Energy Global Enterprises, the umbrella for Sempra Energy's growth businesses -- is a leading participant in marketing and trading physical and financial commodity products, including natural gas, power, petroleum products and base metals. Sempra Energy Trading combines trading and risk-management experience with physical commodity expertise to provide innovative solutions for its customers worldwide.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2002 revenues of $6 billion. The Sempra Energy companies' 12,000 employees serve more than 9 million customers in the United States, Europe, Canada, Mexico, South America and Asia.

Sempra Energy Trading is not the same company as the utilities SDG&E/SoCalGas, and it is not regulated by the California Public Utilities Commission.

CONTACT: Jennifer Andrews of Sempra Energy, +1-877-866-2066

Web site: http://www.sempra.com/

EXHIBIT 28

Sempra Energy LNG notifies federal regulators of new project near Port Arthur, Texas

Project marks company's third new North American LNG facility

Media Contacts: Art Larson
Sempra Energy
(877) 866-2066
www.sempra.com

SAN DIEGO, April 21, 2004 – Sempra Energy LNG today announced plans to develop and construct a new $600 million liquefied natural gas (LNG) receiving terminal near Port Arthur, Texas, capable of processing 1.5 billion cubic feet (Bcf) of natural gas per day.

The facility would be constructed on part of a 3,000-acre parcel of land along the Port Arthur Ship Canal. The parcel has been owned by Sempra Energy since 1989.

The announcement coincides with a pre-filing notification the company submitted today to the Federal Energy Regulatory Commission (FERC). This notification begins the process of securing the required FERC approval for Sempra Energy LNG's third state-of-the-art receiving terminal. The Port Arthur LNG project is expected to begin construction in 2006 with start-up slated for 2009.

The Port Arthur LNG project would feature three, 160,000 cubic meter, full-containment storage tanks and two unloading berths, and would be capable of doubling its capacity in the future to accommodate three additional storage tanks and facilities. This future expansion would allow the Port Arthur project to process 3.0 Bcf of natural gas per day.

"Sempra Energy has gained valuable experience working with the FERC during the permitting process for its Cameron LNG facility in Louisiana," said Donald E. Felsinger, group president of Sempra Energy Global Enterprises, the umbrella for Sempra Energy's growth businesses. "Cameron LNG was the first new project in more than two decades to receive FERC approval to construct an LNG receipt terminal. "

During the permitting process, Felsinger said the company actively will pursue capacity and supply contracts with interested parties who would use the facility to move gas into the North American gas market, the largest in the world.

"Sempra Energy is the ideal business partner for suppliers, because we offer more marketing capabilities than other terminal developers," Felsinger added. "Our company can offer capacity through our receipt terminals, and, as North America's second largest gas marketer, we can provide a full range of services for suppliers who do not have a presence here."

"Through discussions with suppliers about securing supply and capacity agreements for our Baja California and Louisiana facilities, we have determined that there is a clear need for additional LNG receipt facilities in the 2009 time period," said Darcel Hulse, president of Sempra Energy LNG. "Our Port Arthur LNG project is ideally situated to meet the needs of those suppliers, and it has positive support from the local community."

Later this year, Sempra Energy plans to have supply and capacity contracts in place and begin construction of two other LNG receipt terminals. Energía Costa Azul, a joint project with Shell, located north of Ensenada, Baja California, Mexico, would process 1.0 Bcf a day, while the wholly owned Cameron LNG facility would process 1.5 Bcf a day. Cameron LNG and Energía Costa Azul are expected to begin operations in late 2007.

Energía Costa Azul is the first LNG project in Baja California to receive all key approvals and it would be the first new West Coast LNG facility constructed in North America.

Sempra Energy LNG, a unit of Sempra Energy Global Enterprises, oversees LNG project development and operations.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2003 revenues of $7.9 billion. The Sempra Energy companies' nearly 13,000 employees serve more than 10 million customers in the United States, Europe, Canada, Mexico, South America and Asia.

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Sempra Energy Global Enterprises and Sempra Energy LNG are not the same companies as the utilities SDG&E/SoCalGas, and are not regulated by the California Public Utilities Commission.

This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Legislation Reform Act of 1995. When the company uses words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "should" or similar expressions, or when the company discusses its strategy or plans, the company is making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: national, international, regional and local economic, competitive, political, legislative and regulatory conditions and developments; actions by the California Public Utilities Commission, the California State Legislature, the California Department of Water Resources and the Federal Energy Regulatory Commission; capital market conditions, inflation rates and interest rates; energy and trading markets, including the timing and extent of changes in commodity prices; weather conditions; business, regulatory and legal *decisions; the pace of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; and other uncertainties, all of which are difficult to predict and many of which are beyond the company's control. These risks and uncertainties are further discussed in the company's reports filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, www.sec.gov*

Close Window

EXHIBIT 29

8/5/04 Fin. Disclosure Wire 13:00:00

FD Wire

August 5, 2004

Q2 2004 Sempra Energy **Earnings** Conference Call - Final

OPERATOR: Good afternoon. My name is Christy, and I will be your conference facilitator. At this time I would like to welcome everyone to the Sempra Energy 2nd quarter 2004 results conference call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks there will be a question-and-answer period. If you would like to ask a question during that time simply press star, then the number 1 on your telephone keypad. If you would like to withdraw your question press star, then the number 2 on your telephone keypad. Thank you. I would now like to turn today's conference over to Mr. Dennis Arriola. Sir, you may begin your conference.

DENNIS ARRIOLA, IR, SEMPRA ENERGY: Thank you. Good afternoon and thanks for joining to us discuss Sempra Energy's 2nd quarter 2004 financial results. A live webcast of this teleconference and slide presentation is available at www.Sempra.com under our investor section. With us today from the company are several members of our management team, including Steve Baum, Chairman and Chief Executive Officer of Sempra Energy, Don Felsinger, President and Chief Operating Officer of Sempra, Neal Schmale, Executive Vice President and Chief Financial Officer of Sempra, Ed Guiles, Group President of Sempra Energy Utilities, Mark Snell, Group President of Sempra Energy Global Enterprises, and Frank Ault, our Senior Vice President and Controller of Sempra. On slide two you have our safe harbor statement. I'd like to remind you this call contains forward-looking statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. These risks, uncertainties and assumptions are described at the bottom of today's press release and are further discussed in the company's reports filed with the Securities and Exchange Commission. In addition some of the financial information we'll be discussing today may contain non-GAAP financial measures. In those cases we will reconcile the financial measures to the most directly comparable GAAP figures. With that I'd now like to turn it over to Steve who will begin with slide 3.

STEVE BAUM, CHAIRMAN, CEO, SEMPRA ENERGY: Thanks, Dennis, and thanks to all of you on the call for joining us today. Earlier this morning we reported 2nd quarter net income of $121 million, or 52 cents per diluted share. Compared with $116 million or 55 cents per diluted share for the same period of 2003. **Quarterly earnings** included an $8 million loss related to the discontinued operations of Atlantic Electric and Gas, a U.K.-based energy marketer which was sold in April of 2004. Second quarter 2004 **earnings** from continuing operations were 129 million or 55 cents per share. Sempra Energy's 2nd quarter net income rose on higher profits at Sempra Energy Resources, Sempra Energy Trading, and Southern California Gas but **earnings** per share were affected by a greater number of common shares outstanding. Overall the results of this quarter were consistent with our outlook for this year. For the 1st six months of 2004 Sempra Energy's **earnings** increased 56% to 318 million or $1.37 per diluted share from 204 million or 98 cents per diluted share during the 1st six months of 2003. Income from continuing operations for the six months of 2004 was $350 million, or $1.51 per share compared to 233 million or $1.12 per share in the 1st six months of 2003. Net income for Sempra Energy Resource and Sempra Energy Trading more than doubled during the 1st half of 2004 to a combined 158 million from 60 million during the same period last year. Now let's turn to slide 4 and go into a little more detail in each of the major business segments beginning with the California utilities. Sempra Energy utilities reported 2nd quarter net income of $80 million compared with $78 million in the same period last year. Net income for San Diego Gas & Electric was $30 million in the 2nd quarter 2004 compared with 41 million in the year ago period. Last year's results included 16 million related to the incentive rate mechanism for the company's 20% interest in the San Onofrio nuclear generating station. That rate meant mechanism ended in 2003.

Southern California Gas company recorded 2nd quarter net income of $50 million up from 37 million in the same period of 2003. The increase was due to improved operating results in the quarter. Let me spend a few minutes on the status of several utility regulatory proceedings. In December 2003 the utilities filed settlements on phase 1 of the cost of service rate cases with the California Public Utilities Commission. Phase 1 dealt with the capital and operating costs at each of the utilities. We expect a decision later this year with rates retroactive to January 1, 2004. Beginning in the 1st quarter of 2004 the California utilities are recognizing revenues consistent with the proposed settlements. On July 21st, 2004, the active parties in phase 2 of the cost of service proceeding filed for adoption with all parties settlement for most of the issues including annual inflation adjustments and revenue sharing. Although phase 2 covers performance incentives these were not addressed in the settlement and are expected to be decided later this year. The settlement requires the California utilities to file their next rate cases based on new rates going into effect January 1, 2008. For the interim years of 2005 to 2007, the consumer price index will be used to adjust base rate revenues. During the quarter, SDG&E received approval from the CG&E for its regional energy reliability plan. Under the plan SDG&E will acquire a new 550-megawatt natural gas fire power plant called Palomar Energy, being constructed in Escondito, California by Sempra Energy Resources. We expect the plant to be in operation in 2006. The utility also will contract for renewable energy resources and plans to enter into a ten-year power purchase agreement for up to 570 megawatts of electricity.

The new infrastructure including transmission upgrades will add approximately $640 million to utility rate base. Please turn to slide five. Sempra Energy Trading had another strong quarter reporting 2nd quarter 2004 net income of 40 million compared with 35 million in the same period last year. The increase was the result of higher trading margins in metals and oil partially offset by a loss in electric trading and a provision for litigation expense. We continue to see the successful results of trading's diversified business models both geographically and by product line. Tradings daily value at risk, or VAR, the 95% confidence level averaged 6.4 million in the 2nd quarter. Our trading company continues to focus on shorter term transactions and highly liquid markets. Approximately 82% of its unrealized revenues as of June 30 converts into cash within the next 12 months. During the quarter Sempra Energy Trading completed a $1 billion two-year committed credit facility to help finance its global operations. This credit facility is secured by receivables in inventories at Sempra Energy Trading. Please turn to slide 6. Second quarter net income for Sempra Energy Resources rose to 22 million from 5 million last year. The rise in net income was due to increased power sales under its contracts partially offset by provision for litigation expense. In the 2nd quarter 2004 Sempra Energy Resources delivered nearly 3.9 million megawatt hours of power. Over the 1st six months of 2004 the company delivered 8.4 million megawatt hours. As the contracts ramp up we expect deliveries in the 2nd half of the year to surpass that amount.

Last month a subsidiary of Sempra Energy Resources assumed management of the Colleto Creek power station, a 632-megawatt coal-fired Texas power plant and 8 other Texas power plants jointly acquired on a 50/50 basis from American Electric Power by Sempra Energy's wholly owned subsidiary Sempra Energy Partners and Carlisle Riverstone. The $430 million acquisition which was completed July 1, 2004 was financed on a non recourse basis. Sempra Energy's share of equity in the transaction was $53 million. Colleto Creek is expected to add approximately 10 million to Sempra Energy's **earnings** in the 2nd half of 2004 and 10 to 15 million annually thereafter. Now let's turn to slide 7. Sempra Energy international and Sempra Energy LNG on a combined basis earned $15 million in the 2nd quarter compared with 18 million in the year earlier period. At Sempra Energy international, tax reserves of 11 million and increased development costs were offset partially by improved results in our Mexican operations and by a $5 million gain on the sale of 14% of our interests in Luz Del Sur in Peru. Second quarter results also included a $12 million benefit from the successful resolution of disputes with gas suppliers in Argentina, and the 2nd quarter of 2003 included an 11 million benefit for the first half of this settlement. For the quarter Sempra Energy LNG recorded a net loss of $2 million due to development costs. Year to date Sempra Energy LNG recorded net income of 4 million including an $8 million benefit in the 1st quarter related to favorable buy-out of a future obligation on the Cameron LNG project.

We're finalizing the LNG supply and partnership agreements for our Energia Costa Azul facility in Baha, California. We expect to receive our break water permit later this quarter and commenced site development. Our Louisiana facility is fully permitted and we are in discussions with several parties regarding supply agreements.
Last month we announced the advancement of two natural gas storage projects. Both facilities will be in Louisiana close to Henry Hub, the nation's largest natural gas trading center both of these project provide a good opportunity to bring additional gas storage to the Gulf Coast market while capitalizing on significant demand from LNG and pipeline projects there. The company has filed with the federal energy regulatory commission to construct and operate its Pine Prairie energy center gas storage facility. The facility will have a total working capacity of 24 billion cubic feet of natural gas and will be in operation by the 4th quarter of 2005. We also announced we have acquired the rights to develop a salt cavern gas storage facility called Liberty Gas Storage with a capacity of 17 billion cubic feet of working gas. Sempra Energy global enterprises has completed another gas storage facility called Bluewater Gas Storage in Michigan. This facility has a gas storage capacity of 27 billion cubic feet and began operations in May of 2004. Please turn to slide 8 for a summary of our business unit results. In the 2nd quarter, our retail marketing group, Sempra Energy Solutions, recorded net income of 3 million. Compared with net income of 8 million in the same period last year. The variance is primarily due to lower commodity margins. Solutions is focused on expanding its commodity business.

Last month Sempra Energy Solutions sold 122 megawatts for five years or more from the Colleto Creek power plant recently purchased by Sempra Energy partners. Earlier this week Solutions became the first U.S. company to sign contracts to export electricity to commercial and industrial business customers in Mexico. Sempra Energy financial recorded 2nd quarter net income of 6 million compared with 8 million in the same period last year. The decrease is due to reduced section 42 housing credits. On July 1, Sempra Energy financial sold all of its investments in section 29 tax credits due to the company's alternative minimum tax position. Sempra Energy Trading continues to hold investments in section 29 tax credits. The sale of Sempra Energy financial's credits will marginally reduce net income and increase cash flow from that business unit. This change was anticipated in the updated **earnings** guidance we provided in June. Overall we expect Sempra Energy financial to earn net income of approximately 25 million in 2004, including the impact from the sale of the 29 credits -- section 29 credits. Expenses impaired and other were 37 million in the 2nd quarter compared with 36 million in the same period of 2003. Expenses for the six months ended June 30th, 2004 were 41 million down from the 60 million in the same period of 2003. The year-over-year decrease in expenses is the result of consolidated tax benefits in 2004 and 5 million of losses on Atlantic Electric & Gas included in 2003 results. Sempra Energy's effective tax rate for the six months of 2004 was 20% and is expected to remain at that level for the full year. Now please turn to slide 9.

As discussed in June at our analyst conference, our 2004 **earnings** guidance is $2.90 to $3.10 per share. This is based on a net income range of approximately 680 million to 730 million, with **earnings** to date at 318 million, including discontinued operations of 32 million, you can see that we're on track to meet our **earnings** outlook. There's some key **earnings** drivers in the 2nd half of the year that I'd like to highlight. For the last several years SDG&E's revenues have been more weighted toward the 2nd half of the year. We expect this trend to continue in 2004. In addition, the utilities currently have 61 million pretax in incentive awards pending at the Public Utility Commission. Sempra Energy Resources contracts are ramping up with increased contracted volumes to be delivered in the 3rd and 4th quarters. And the acquisition of Colleto Creek in July should add about 10 million in **earnings** in the 2nd half of the year. All of these factors and our solid performance year to date put us on track to meet our $2.90 to $3.10, which is GAAP, **earnings** per share guidance. Before opening up the call for questions I want to review some of the recent management changes we've made at Sempra Energy as part of our ongoing management success plan. As we announced in June Don Felsinger was appointed President and Chief Operating Officer of Sempra Energy and is slated to become Chief Executive Officer after I retire at the end of January 2006. Most of you know Don from his role as Group President of Sempra Energy Global Enterprises and you'll be seeing more of him on the road in the future. In addition Don and Neal Schmale our Chief Financial Officer were both elected to the board of directors and Neal is slated to move into the Chief Operating Officer's role when Don becomes Chief Executive Officer in 2006.
Yesterday we announced Mark Snell has been named Group President of Sempra Energy Global Enterprises. Mark previously was our Chief Financial Officer at Global Enterprises and has been a key member of our team. Mark will continue to work closely with our business unit leaders as we focus on new opportunities in the market. I'm pleased we have a solid team in place to lead this company into the future. Now I'll open the call for questions.

OPERATOR: At this time I would like to remind everyone in order to ask a question, please press star, then the number 1 on your telephone keypad. To withdraw your question press star, then the number 2. We'll pause for just a moment to compile the Q and A roster. Your first question is from David Maccarrone from Goldman Sachs.

DAVID MACCARONE, ANALYST, GOLDMAN SACHS: Steve, I was wondering if could you update us on the expected timing of the final LNG supply agreements for each Costa Azul and Cameron and give us a sense for timing of construction spending and the impact that any potential delays from a mid '07 full ramp-up might have on your approach to paying out a higher dividend.

STEVE BAUM: First of all good afternoon David and congratulations on the birth of your daughter.

DAVID MACCARONE: Thank you.

STEVE BAUM: Must be very excited.

DAVID MACCARONE: Very.

STEVE BAUM: Don Felsinger will answer that question.

DON FELSINGER, PRESIDENT, COO, SEMPRA ENERGY: David, let me cover off on the two facilities, Costa Azul and Camaron, Louisiana. Even though we have a confidentiality agreement in place with BP in Indonesia let me repeat what's been said publicly by the government of Indonesia, and that is that they expect to sign supply agreements with us sometime in August or September so we would expect to conclude those arrangements in the next couple of months and we have recently started access to the facility by building a freeway overpass and access road to the site in preparation for construction so we're on our construction spend schedule for that facility. Regarding Cameron, we have all permits in place and we are in commercial discussions with several different upstream shippers, and those should be brought to some conclusion by the end of this year. I think the thing that's important to remember about LNG right now is that there is a shortage of LNG supplies, and as you have read, it looks like that at a time when North America could expect significant quantities, probably in 2008. As we firm up our commercial arrangements we will know exactly when deliveries will take place but right now we have the capability to have these plants in operation the end 2007 but we'll wait and see what the market needs in terms of delivery points.

DAVID MACCARONE: Okay. Thank you. And with respect to the dividend and timing of the spending?

STEVE BAUM: The capital spending?

NEAL SCHMALE, EVP, CFO, SEMPRA ENERGY: Capital spending is on a plan we've announced. We have no information to make any changes to it.

DAVID MACCARONE: Okay. Thank you.

OPERATOR: Your next question is from Sam Brockwell of Merrill Lynch.

SAM BROCKWELL, ANALYST, MERRILL LYNCH: Good afternoon.

STEVE BAUM: Hi, Sam.

SAM BROCKWELL: Couple of quick questions. There was recently some press coverage of some local issues at the Costa Azul facility. Wondering if could you address that. Secondly, as we look out towards the 2nd half of '04, and into '05, do you see any O&M items? I'm thinking specifically of legal expenses, legacy from all the California issues that might be tapering off --.

STEVE BAUM: Sam, you're fading off. Could you repeat that last bit about '04-'05 O&M?

SAM BROCKWELL: Yea, as we look into '04 and '05, I'm thinking in terms of legal expenses you've been incurring with respect to the California issues. Do you see those tapering off, and finally, with respect to resources, you indicated that you expect a pretty nice uptick in the 2nd half of '04. Can you maybe give us a little more color on the ramp-up in deliveries and how we should think about in that terms of the impact on net income?

STEVE BAUM: Okay. Let me just mention that you should probably ignore the local press on Costa Azul because they're wrong, and there are no pending injunctions or legal problems with respect to that. We've cleared all of that and remain clear, and I don't know -- Don, whether you want to comment further on that.

DON FELSINGER: Steve, what I would say is that state elections took place last week in Baja and because of the elections taking place there's a lot of misinformation about LNG projects. As Steve said we have no injunctions against the site that exists and we are ready to start construction as soon as we have commercial agreements in place.

STEVE BAUM: And the candidate that suggested that the site ought to be moved was defeated. Now, in terms of the O&M issues and legal expenses in '04 and '05, the trial -- well, let me put it this way. We would expect legal expenses to begin to taper off towards the end of -- towards the end of this year and into the 1st quarter of next. I mean, you can never predict precisely what new litigation may appear but if we're seeing most of what we have in terms of the California type litigation, the discovery phase is pretty much completed. That's a very expensive phase of the proceedings, and I would expect that we would not see any great increase in those expenses beyond the end of -- beyond the end of this year. And lastly maybe Don you want to talk about resources. The question was the ramp-up of power and resources.

DON FELSINGER: Our contract with the state of California is a major driver behind the sales and resources and the 1st two quarters of the year are the quarters where because of seasonal requirements we deliver the least amount of volume. The 2nd two quarters of the year are when we deliver the highest volume so we expect an increase in sales and revenue the 2nd half of the year out of the resources business.

STEVE BAUM: Let me give you a little bit more color on the litigation expense. We took a reserve, a combined litigation reserve this quarter of $10 million after tax. The -- that was spread predominantly between -- well, it was spread between trading and resources. The majority of it was at resources. The foundation of that reserve comes from the fact that the FERC has published new gas price numbers which are lower for the calculation of California refunds, and we went back and looked at the reserve we had at the previous higher gas prices, and recalculated that and took an additional reserve which was net 10 million this quarter.

SAM BROCKWELL: Okay. Then just going back to Costa Azul for a second. You mentioned you're basically ready to commence construction once you get commercial agreements in place. Do you have any kind of rough time frame when you think you'll actually be getting underway there?

STEVE BAUM: We've gone out to bid, we and Shell, so we're waiting for bids due back the 4th quarter of this year, early part of the 4th quarter. We're moving ahead and building freeway off-ramp, access road to the sites in a preconstruction mode but we ought to be in a position to have firm bids in place and start construction in the last quarter of this year.

SAM BROCKWELL: Thanks a lot.

OPERATOR: Your next question is from Mike Heim of A.G. Edwards.

MIKE HEIM, ANALYST, A.G. EDWARDS: I was hoping to get a little bit more color on the oil margins for the trading. Obviously real good numbers with the volumes. Anything that can help us understand why that was going on?

STEVE BAUM: Don, you want to --.

DON FELSINGER: Well, I mean, so much volatility in the marketplace right now with prices reaching record highs that there's just a lot of activity and opportunities to make money in the oil business as we look forward in the trading book with current sustained high gas prices, with oil prices at a level that we haven't seen before, and metals prices, we continue to see kind of a good outcome for that business unit.

MIKE HEIM: Okay. I think the other questions I had have been answered.

OPERATOR: Your next question is from Anatol Feygin with Banc of America.

ANATOL FEYGIN, ANALYST, BANC OF AMERICA: Good morning, everyone. Couple questions on the regulatory front. We haven't seen obviously the PD yet in phase 1 and if my understanding was correct it had to have been issued by now to be on the early September agenda. Is that correct, and when would you guys expect the next kind of possible date to be for the PD to be issued and then considered by the PUC?

ED GUILES, GROUP PRESIDENT, SEMPRA ENERGY: This Ed Guiles. You're right, we have not seen a PD. If you look at the schedule, I think essentially once the PD is issued there's a 30-day comment period. If you look out in August I think it would be about August 24th, then subsequent to that there's a meeting on September 23rd. So that would be kind of the next opportunity here.

ANATOL FEYGIN: Great. And in terms of the 61 million in incentive awards do you guys have a feel for when the PUC will consider those?

ED GUILES: I'm sorry, Anatol, I didn't hear the first part of that question. Can you repeat that?

ANATOL FEYGIN: On the 61 million in the performance-based awards is there a sense for when that will be on the agenda?

ED GUILES: No, I think it's really, you know, about 8 million of that is concerning operating incentives at SDG&E. We think that will be in the last quarter specifically. With respect to the DSM awards, those are outstanding and could come at any time.

ANATOL FEYGIN: Great.

STEVE BAUM: Let me add, on the timing of rate case decisions and PDs, what we're seeing is, although it seems to have stretched on, compared to what the timing for the Edison and PG&E rate cases that were recently completed it is not particularly out of order in terms of time. Those were very extended processes, so I guess we're not really surprised.

ANATOL FEYGIN: Sure. I just -- you know, I think every time we talk about this issue we think that the PD is a couple days away or a couple weeks away, and that's stretched out for four or five months now, so just wanted to get the latest update there. Also, Steve, you had mentioned, in terms of your guys' sense for how Colleto will do, about 10 million in the 2nd half of this year but I think you mentioned full year '05 expecting a comparable contribution. Just wanted to get some more color on why, you know, full year's impact of Colleto isn't going to be appreciably different than H2 of '04.

STEVE BAUM: We had one extra ordinary pickup with respect to the transaction in this quarter and that accounts for the slight distortion.

ANATOL FEYGIN: Gotcha. One last question on S&P as it relates to two things. One, their analysis of trading businesses and stressed liquidity. Have you guys had further meetings with them and gotten some sense for how they feel about this billion dollar facility at the trading level? And two, again, S&P related, as they have increased the business risk for the overall company have there been follow-up discussions on that and any repercussions from it?

STEVE BAUM: Neal Schmale will take this.

NEAL SCHMALE: First of all, with respect to the liquidity, we have an ongoing discussion with S&P about the liquidity and I would comment that we have the billion dollar line at trading, we have a couple of billion dollars of additional lines at the parent that are taken into consideration. There's another line of around 250 million above and beyond that, so we have a lot of liquidity. And what we're doing with S&P right now is talking about the details of the calculation. But I'm very comfortable that this company has ample liquidity to deal with the trading company with greater than $3 billion of lines that I just described. With respect to the change in the business position, at the same time that they changed the business position they also change the numbers that were required for the performance of things like cash flow from operations to total debt and the effect of that was that even though the business position changed, kind of the targets that two meet to reach, for example, a triple B+ rating didn't change that much.

ANATOL FEYGIN: Great. Thanks very much for your answers everyone.

OPERATOR: Your next question is from Ashar Khan of SAC Capital.

FIFEL KHAN (ph), ANALYST, CREDIT SUISSE FIRST BOSTON: Good morning, gentlemen. I was just trying to get a sense as to what is the further loss of **earnings** expected for the last half of the year?

STEVE BAUM: Well, first of all, hi, Ashar, how are you? Ed can -- or maybe Frank -- why don't you --.

FRANK AULT, CONTROLLER, SEMPRA ENERGY: Why don't I go ahead and take that. As we mentioned we did have an isep loss in the 2nd quarter, it was about 16 million, and about 28 million year to date that run rate would put us in the 50, 55 range for the year. I think we've probably said before it's going to be about 50 million or so after tax. We seem to be right on track with our expectation there.

FIFEL KHAN (ph): Will that then be ratably more like in the 3rd quarter and then less in the 4th quarter as look at -- as you report **earnings**?

FRANK AULT: By quarter it was actually based on the output of the nuclear generating facility in 2003, and I don't have the **quarterly** information on output so I can't tell you exactly but there was no major outages during either period, so it should be pretty routable over the remaining half of the year.

ED GUILES: I just wanted to add a couple of things. One, during this period Edison did get their rate case approved, as you know, which covers the revenue requirement for our piece of 20% ownership. It's essentially for the base O&M and for overhaul expenses at about $100 million a year. When you go back and look at the overall settlement that's been filed and you look at the impact on SDG&E we're recognizing income consistent with the settlement. As you look at the longer terms, it reflect the loss of isep, but also the true-up of rate base at SDG&E. So we've got those two things working.

FIFEL KHAN (ph): How much of PBR incentives do you plan to book, I guess in your plan, as you outlined to us month back to meet your projections in the back half of the year?

ED GUILES: When we gave you our projections before one of the reasons for the range, as you recall, I think was 380 to 430. We've got, as I mentioned earlier, $61 million outstanding in PBR incentives. We don't recognize them until they're actually approved by the commission. I feel pretty confident about the $8 million in the operating incentives at SDG&E with respect to the DSM there's less of a probability that we'll get those before the end of the year. We've got $48 million outstanding there. We were looking in our range of estimates to receive 24 million pretax and we'll just have to see if we get that in the 4th quarter.

FIFEL KHAN (ph): And just going to the trading side of the business, I'm assuming that the volatility in the petroleum, which has continued on into the 3rd quarter, should I guess help going forward. Could you just give us a little bit more information on the metals market, what's happening recently?

DON FELSINGER: This is Don Felsinger. When you think about metals, the primary driver on our metals book has been copper. If you go back to the beginning of this year, worldwide there was probably between 800 million and a billion pounds of -- 800 to a million tons of copper in storage. That basically has been depleted, so there's no inventories right now. The shortage in the supply chain has been mining. There's plenty of smelting and refining capacity. Starting out earlier this year when there was this mud slide or cave in at the Grass Roots mine in Indonesia we started to see a shortage of raw materials going into smelters. That has been fixed. We have seen other mines increase their production. There's been some brown field development, also some green field mining started. It is our expectation that those prices will continue to be strong in the 2nd half of this year and then they'll reach equilibrium next year. I don't expect the 2nd half to be as good as the 1st half. It's going to be strong. I would expect next year would be a normal year for metals.

FIFEL KHAN (ph): Thanks, Don, I really appreciate it.

OPERATOR: Your next question is from Michael Goldenberg of Luminous Management.

MICHAEL GOLDENBERG, ANALYST, LUMINOUS MANAGEMENT: Hey, good morning, guys. Wanted to ask a couple of questions on fuels. Did I hear you right that you have sold the section 29 tax credits at the level that were yielding about [inaudible] net income?

STEVE BAUM: Yes, and, Frank, why don't you just run through that.

FRANK AULT: We, in our forecast for the year, have anticipated selling those section 29 credits in the midpoint of the year so we actually sold it right on our plan, July 1, and our forecast of **earnings** for the year took that into consideration as Steve said in his prepared remarks we're anticipating **earnings** of about 25 million from Sempra Energy financial this year. The basic reason that we sold them was that they carry more value to others than they do to us because of our current tax position it would be a little longer time before we could fully utilize them. There's other entities that could use them sooner so we're going to even though have a slight decline in **earnings** from that we will have an improvement in our cash flows.

MICHAEL GOLDENBERG: Okay. So let me just get this straight. These tax credits were beyond the 20% AM T rate, so they weren't actually yielding cash because you get enough tax credits with section 42 and trading section 29?

FRANK AULT: That's correct.

MICHAEL GOLDENBERG: And how much net income did you end up getting for the year? About 4 or 5 mil?

FRANK AULT: On the net income from the section -- Sempra financial?

MICHAEL GOLDENBERG: Yes.

FRANK AULT: We are, for the year, on section 29s, at Sempra financial, sitting at about 8.6 million, 9 million.

MICHAEL GOLDENBERG: And this is a one-time transaction? You got one lump-sum payment but there are no kind of ways of -- for the buyer to back out if some IRS issue comes up or something like that?

FRANK AULT: First of all, let me correct one thing. We did not get a one-time payment. We earn the credits as the other party utilizes then, which, of course, they'll utilize them much more rapidly than we would have utilized it. So the cash will be coming in over the next few years but much quicker than had we used them ourselves.

MICHAEL GOLDENBERG: And going to go through the income statement?

FRANK AULT: No, we would not anticipate them going through the income statement probably until the 2nd part of next year. Basically we will, as we recover the money, it will go first against our investment and once we have fully recovered our investment then any continued receipt would, in fact, flow to the bottom line.

MICHAEL GOLDENBERG: On trading, can you comment maybe just in terms of [inaudible] California, first it was expectation of really hot weather. I don't know how it's panning out but if this is having negative or positive effects overall on your power trading position and also whatever merchant position you have at your resources portfolio.

STEVE BAUM: Don, you want to take that?

DON FELSINGER: I think if you look at what the state of California said, from the standpoint of getting through this summer that if we have normal weather it shouldn't be an issue but with hot weather the reserve margins will drop down into the 4 to 5% range. As we looked at customers, though, customers have been unwilling, because I guess just where they are to sign up for any long-term electric supply contracts. We have see the spark spread increase which would be a driver for new generation but because of the uncertainty of what role utilities would play and what role the merchant market would play we haven't seen any plants being put forward from. The standpoint of our business at trading it looks like that much like we would do, that people at own power plants would like to sell this forward for three, four, five years at a time and that's a business in trading that we currently are not engaged in so we have not participated in that market.

MICHAEL GOLDENBERG: Makes sense. Final questions just on solutions. In terms of lack of profitability or lack of sustainable profitability is it lack of volume being generated by the business as in new clients coming into the slower than expected, or are the margins lower than you have originally anticipated when you entered the business?

DON FELSINGER: It's really both. It's the universe of customers that are available -- that can enter into transactions, because California and other states have put a halt to direct access, so we're not seeing the markets open up as we thought they would, and then the margins in general are lower than they were a year or two years ago.

MICHAEL GOLDENBERG: Any particular market solution you're focusing on?

DON FELSINGER: Well, we just did a lot of business in Texas earlier this half, so that's an attractive market for us, doing business there.

MICHAEL GOLDENBERG: Thank you very much. Good luck and congratulations to Mark Snell on his new post.

OPERATOR: Your next question is from Fifel Khan [ph] of Credit Suisse First Boston.

FIFEL KHAN (ph): Couple of questions. If you could just comment on the share count going up about 7 million on a diluted basis from the 4th quarter of '03 to today, then if you can also comment on the negative margins that power what caused that in the quarter and, resources, if you could explain the variability sequentially from the 1st quarter to the 2nd quarter in net income from 37 to 22. Thanks.

STEVE BAUM: Okay. Let me just comment on the share count. I mean, first of all let me -- everyone should understand we're using a 235 million share number for our EPS range calculation, so you can start with that point. We have had in operation at new issue both our dividend reinvestment plan and our savings plan, the 401(k). That is generally the contributor beyond the shares that we issued in the first -- I guess it was the 1st quarter we had the share issuance. Sorry, the 4th quarter is when we had the share issuance so it's really these continuing streams from our plans that are contributing to the increase and number of shares outstanding. We, of course, retain the discretion to modulate that as we see fit. In terms of the negative power margin, Don maybe you want to give a comment on that.

DON FELSINGER: Power margins?

STEVE BAUM: Yes.

DON FELSINGER: There were two issues that had an impact on trading this quarter. As Steve mentioned in his opening remarks we took an additional reserve because of the FERC refund settlement that we're working our way through. Then the other issue was about five years ago we entered into a tolling arrangement to have the ability bring gas to some generation on the East Coast and sell the electricity. We're five years into the agreement. We make monthly payments every month for the right to have that option. As we take a look at gas praises and electric prices we decided to remark that position so that was another driver that changed the **earnings** in a downward way.
STEVE BAUM: X that adjustment the power back was positive.

FIFEL KHAN (ph): How much of that tolling arrangement, that demand payment?

STEVE BAUM: I don't think we disclosed that.

DON FELSINGER: Your last question was about resources and the expected change?

FIFEL KHAN (ph): The variability from the 1st quarter to the 2nd quarter today sequentially from 37 to 22 million.

DON FELSINGER: Once again, two main drivers. Part of the FERC refund settlement was allocated to resources, that was mentioned earlier. The second is the variability of the contract sales to BWR as part of the contract, volumes were down 4 or 5% in the 2nd quarter from the 1st quarter so those two are main drivers in the business.

STEVE BAUM: That contracts then ramps up over the summer period so it -- you see increased volumes as you go later into the year.

FIFEL KHAN (ph): Okay. Fair enough. Thank you.

OPERATOR: Your next question is from Jay Hatfield of Zimmer Lucas.

JAY HATFIELD, ANALYST, ZIMMER LUCAS: Good morning. How are you doing?

STEVE BAUM: Fine.

JAY HATFIELD: Wanted to see if there was anything unusual about corporate and other. There was, I guess, 37 million for the quarter which was much higher than the sequential quarter and also high relative to your annual guidance and I guess what we would estimate for corporate interest expenses. Anything unusual going on?

NEAL SCHMALE: There are some timing issues as you deal with the whole issue of parent and other. Remember each of the business units does its own stand-alone tax calculation, and at the consolidated level we have either a benefit or a negative impact depending on the quarter as to how each individual business unit performed compared to where it's expected to do for the full year. As a consequence of that we had on the consolidated level a favorable impact in the 1st quarter and in the 2nd quarter basically reversed. If you are to take a look at our bottom line for the period of the 1st six months we have a loss at the parent level of 41 million and we have interest expense of 35, and that's at a run rate that we would anticipate continuing so we would anticipate probably interest in the 70 million range for the year and probably somewhere on the bottom line maybe in the $80 million or so loss. So on average we're probably running about 20 million other than these consolidated tax timing issues that negate by the end of the year.

JAY HATFIELD: So for the quarter if we were trying to get to kind of a ongoing or, you know, ongoing number then you should really add back the 17 million tax?

NEAL SCHMALE: I would say that, you know, it was timing difference between the two quarters. If you looked at the six months we're really kind of on track to our expected run rate.

JAY HATFIELD: Okay. So the 17 is kind of a -- sort of above normal and reversal of the 1st quarter?

NEAL SCHMALE: That's correct.

JAY HATFIELD: Okay. That's very helpful. Thank you.

OPERATOR: Your next question is from Paul Patterson of Glenrock Associates.

PAUL PATTERSON, ANALYST, GLENROCK ASSOCIATES: Good morning. Good afternoon, how are you?

STEVE BAUM: Fine. How are you?

PAUL PATTERSON: All right. Wanted to ask you about the syn fuel plants. There's been some issues with other companies regarding the in-service date, particular with Marriott and progress, and was wondering if could you comment on your position with respect to that or if the IRS has contacted you.

STEVE BAUM: Frank can deal with this.

FRANK AULT: We have been audited at both of our facilities, both the one that we just sold and also the one at trading. This issue has not come up in those audits. We believe we have very strong records support ting the inservice date and service has not raised it in spite of the audits we've done so we're not anticipating any difficulties in this area.

PAUL PATTERSON: Could you remind of us the manufacturer of the plant, the type of plants they are? Are they coball or earthco?

ED GUILES: Different ones.

DON FELSINGER: Variety. I don't think we have that information right here.

PAUL PATTERSON: Touch base with you later.

DON FELSINGER: Get ahold of Dennis and he'll get you that information.

PAUL PATTERSON: Okay, that's great. The litigation expense, could you just elaborate what you're expecting for 2004 the litigation expense to be?

STEVE BAUM: I don't know that we break that out. I don't think we've broken that out and I'm not sure that we're going to actually.

PAUL PATTERSON: You don't break it out so out, so okay, there you go. Let me ask you this. On trading CapEx it seems to have gone up substantially from 12 million to the first six months to 82 million.

STEVE BAUM: Yeah, that was if Bluewater -- completion of the Bluewater storage facility which went into operation in May.

PAUL PATTERSON: That explains the 35. Okay. That makes sense. The 20% tax rate for 2004, what should we expect in 2005? Any outlook we might see in terms of tax rate going out that far? Should we just pretty much assume it will be in that neighborhood in 2005?

FRANK AULT: I believe 2005 will probably see a little bit of increase so for the 1st six month of this year it was 20% which is where we anticipate for the year. Last year it was about 18% for the 1st six months. Remember we have sold a section 29 credits related to Sempra Energy financial. That will cause by itself a slightly higher effective tax rate next year so I think it will be in the low 20s, probably in the 22 to 25% range.

PAUL PATTERSON: And then is there any way we might be able to get an idea how much expense might be going away as this litigation stuff is rectified in 2005, or beginning of 2005?

STEVE BAUM: We're not making that estimate right now. We're not discussing anything publicly in that regard.

PAUL PATTERSON: Okay. Fair enough. Hope all is going well with you guys. Take care.

FRANK AULT: Steve, there was an earlier question I wanted to clarify. There's a lot of questions about the resource contract. And this is public information but if you look at the contract just to give people a sense of how revenues flow in, the 1st quarter is the strongest with 26% of revenues, 2nd quarter drops off to 20%, last two quarters jump up to 27% each so people can see the revenue from that contract really comes in the 2nd half of the year.

OPERATOR: Your next question is from Leslie Rich of Columbia Management Group.

LESLIE RICH, ANALYST, COLUMBIA MANAGEMENT GROUP: Hi. Just wondered if you could clarify for me your --.

STEVE BAUM: Speak up, please.

LESLIE RICH: Could you please clarify your total expected syn fuel **earnings** in 2004-2005? I know you said financial year to date it was 8.6 million but if could you say on a consolidated basis what it will be for full year '04 and '05.

STEVE BAUM: Go ahead, Frank.

FRANK AULT: For the syn fuels for the 1st half of this year we've, bottom line net income made about $20 million and I would anticipate that we will see that number in the 30 to $35 million range by the end of the year remembering that we have sold our section 29 credits with Sempra Energy financial. As we move forward into next year I would anticipate that we will see net income in the 20 to $25 million range from the syn fuel trading company.

LESLIE RICH: Thank you.

OPERATOR: There are no further questions at this time. I would now like to turn conference back over to Mr. Dennis Arriola for any closing remarks.

DENNIS ARRIOLA: Thank you very much for joining us. As usual, we'll be around to answer any follow-up questions. We look forward to talking to you in the city. We're going to be at several of the sell side conferences in September so hopefully we'll hook up for some meetings. Thanks a lot and have a good day.

OPERATOR: This concludes today's conference call. You may now disconnect.

---- INDEX REFERENCES ----

COMPANY: AMERICAN ELECTRIC POWER CO INC; SEMPRA ENERGY; GOLDMAN SACHS GROUP INC (THE)

NEWS SUBJECT: (Corporate Financial Data (1XO59); Corporate Performance (1XO12); Business Management (1BU42); Business Strategy (1BU97); Major Corporations (1MA93); Corporate Strategy & Strategic Planning (1XO03); Corporate Globalization (1XO29); Investment Banking (1IN86); Economics & Trade (1EC26); Economic Indicators (1EC19))

INDUSTRY: (Enterprise Performance Management (1EN49); Theoretical Analysis (1TH79); Investment Management (1IN34); Business Services (1BU80); Financial Services (1FI37); Utilities Regulatory (1UT69); Financial Services Regulatory (1FI03); Stocks (1EQ09); Wholesale Trade & Distribution (1WH58); Securities Investment (1SE57); Investment Banking Regulatory (1IN20); Electric Utilities (1EL82); Warehousing (1WA25); Science & Engineering (1SC33); Utilities (1UT12); Power Production (1PO04); Business Theory (1BU14))

REGION: (North America (1NO39); Central America (1CE62); Far East (1FA27); Latin America (1LA15); Indonesia (1IN16); Texas (1TE14); Mexico (1ME48); Louisiana (1LO72); California (1CA98); Southeast Asia (1SO64); Americas (1AM92); New England

(1NE37); Asia (1AS61); Massachusetts (1MA15); USA (1US73))

Language: EN

OTHER INDEXING: (AMERICAN ELECTRIC POWER; BLUEWATER; BP; CALIFORNIA PUBLIC UTILITIES COMMISSION; CAMARON; CAMERON; CCBN; CCBN INC; CG; COLLETO; COLLETO CREEK; COSTA AZUL; CREDIT SUISSE; DSM; ED; ED GUILES; ED GUILES GROUP; ENERGIA COSTA AZUL; FEDERAL DOCUMENT CLEARING HOUSE; FELSINGER; FERC; FIFEL; GAAP; GLENROCK ASSOCIATES; GLOBAL ENTERPRISES; GOLDMAN SACHS; GRASS ROOTS; GROUP; IRS; JAY HATFIELD OF ZIMMER; LESLIE RICH OF COLUMBIA MANAGEMENT GROUP; LNG; LOUISIANA; LUZ DEL SUR; MERRILL LYNCH; OPERATOR; PALOMAR ENERGY; PBR; PD; PG; PUBLIC UTILITY COMMISSION; PUC; SAC; SDG; SECURITIES AND EXCHANGE COMMISSION; SEMPRA; **SEMPRA ENERGY**; **SEMPRA ENERGY EARNINGS** CONFERENCE; **SEMPRA ENERGY** GLOBAL ENTERPRISES; **SEMPRA ENERGY** PARTNERS; **SEMPRA ENERGY** RESOURCE; **SEMPRA ENERGY** RESOURCES; **SEMPRA ENERGY** SOLUTIONS; **SEMPRA ENERGY** TRADING; **SEMPRA ENERGY** UTILITIES; SITE; SOLUTIONS; TRANSCRIPTION; TRANSCRIPTS; USERS; VICE) (Ashar; Ashar Khan; California; California Gas; Carlisle Riverstone; David; Dennis; Dennis Arriola; Fair; FDCH e-Media; Fifel Khan; Frank; Frank Ault; Gas; Gas Storage; Henry Hub; Iiquidity; Mark; Mark Snell; MICHAEL; Michael Goldenberg; MIKE; Mike Heim; Neal; Neal Schmale; PAUL; Paul Patterson; Sam; SEC FILINGS; Shell; Sir; Southern; Steve; Steve Baum; Yesterday)

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EXHIBIT 30

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2005

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______________ to ______________

Commission file number 1-14201

SEMPRA ENERGY
(Exact name of registrant as specified in its charter)

California	33-0732627
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

101 Ash Street, San Diego, California 92101
(Address of principal executive offices)
(Zip Code)

(619) 696-2034
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
Common stock, without par value	New York and Pacific

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes X No ____

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ____ No X

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ___X___ No _______

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

___X___

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	[X]	Accelerated filer	[ ]	Non-accelerated filer	[ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes _______ No ___X___

Exhibit Index on page 38. Glossary on page 46.

Aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2005 was $10.5 billion.

Registrant's common stock outstanding as of January 31, 2006 was 258,414,771 shares.

DOCUMENTS INCORPORATED BY REFERENCE:
Portions of the 2005 Annual Report to Shareholders are incorporated by reference into Parts I, II, and IV.

Portions of the Proxy Statement prepared for the May 2006 annual meeting of shareholders are incorporated by reference into Part III.

Under the contract with PGE, SDG&E pays a capacity charge plus a charge based on the amount of energy received and/or PGE's non-fuel costs. Costs under the contracts with QFs are based on SDG&E's avoided cost. Charges under the remaining contracts are for firm and as-available energy and are based on the amount of energy received. The prices under these contracts are at the market value at the time the contracts were negotiated.

SONGS

SDG&E owns 20 percent of SONGS, which is located south of San Clemente, California. SONGS consists of three nuclear generating units. The cities of Riverside and Anaheim own a total of 5 percent of Units 2 and 3. Edison owns the remaining interests and is the operator of SONGS.

Unit 1 was removed from service in November 1992 when the CPUC issued a decision to permanently shut it down. Decommissioning of Unit 1 is now in progress and its spent nuclear fuel is being stored on site.

Units 2 and 3 began commercial operation in August 1983 and April 1984, respectively. SDG&E's share of the capacity is 214 MW of Unit 2 and 216 MW of Unit 3.

SDG&E had fully recovered its SONGS capital investment through December 31, 2003.

Additional information concerning the SONGS units and nuclear decommissioning is provided below, in "Environmental Matters" herein, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Notes 6, 13 and 15 of the notes to Consolidated Financial Statements.

Nuclear Fuel Supply

The nuclear fuel supply cycle includes materials and services (uranium oxide, conversion of uranium oxide to uranium hexafluoride, uranium enrichment services, and fabrication of fuel assemblies) performed by others under various contracts which extend through 2008. The availability and the cost of the various components of the nuclear-fuel cycle for SDG&E's nuclear facilities in subsequent years cannot be estimated at this time.

Spent fuel from SONGS is being stored on site in the independent spent fuel storage installation, where storage capacity is expected to be adequate through 2022, the expiration date of the units' NRC operating license. Pursuant to the Nuclear Waste Policy Act of 1982, SDG&E entered into a contract with the U.S. Department of Energy (DOE) for spent-fuel disposal. Under the agreement, the DOE is responsible for the ultimate disposal of spent fuel from SONGS. SDG&E pays the DOE a disposal fee of $1.00 per megawatt-hour of net nuclear generation, or $3 million per year. The DOE projects that it will not begin accepting spent fuel until 2010 at the earliest.

Additional information concerning nuclear-fuel costs and the storage and movement of spent fuel is provided in Notes 13 and 15, respectively, of the notes to Consolidated Financial Statements.

Power Pools

SDG&E is a participant in the Western Systems Power Pool, which includes an electric-power and transmission-rate agreement with utilities and power agencies located throughout the United States and Canada. More than 270 investor-owned and municipal utilities, state and federal power agencies, energy brokers, and power marketers share power and information in order to increase efficiency and competition in the bulk power market. Participants are able to make power transactions on standardized terms that have been pre-approved by the FERC.

Transmission Arrangements

The Pacific Intertie, consisting of AC and DC transmission lines, connects the Northwest with SDG&E, Pacific Gas & Electric (PG&E), Edison and others under an agreement that expires in July 2007. SDG&E's share of the Pacific Intertie is 266 MW.

Power originating from sources utilizing the Pacific Intertie, as well as power from other sources, can be imported into SDG&E's system via the Edison-SDG&E interconnection at the SONGS switchyard. Five 230-kilovolt transmission lines into SDG&E's system from that interconnection comprise the "South of SONGS" path, which is normally rated at 2,200 MW.

SDG&E's 500-kilovolt Southwest Powerlink transmission line, which is shared with Arizona Public Service Company and Imperial Irrigation District, extends from Palo Verde, Arizona to San Diego. SDG&E's share of the line is 970 MW, although it can be less under certain system conditions.

Mexico's Baja California Norte system is connected to SDG&E's system via two 230-kilovolt interconnections with firm capability of 408 MW in the north to south direction and 800 MW in the south to north direction.

SDG&E is in the planning stages for the Sunrise Powerlink, a new 500-kilovolt transmission line between the existing Imperial Valley Substation and a new Central Substation to be located within the SDG&E system. The proposed rating of the Sunrise Powerlink is 1,000 MW or higher. The project is subject to CPUC approval and is estimated to cost at least $1 billion. The planned in-service date is June 2010.

Transmission Access

The National Energy Policy Act governs procedures for others' requests for transmission service. The FERC approved the California IOUs' transfer of operation and control of their transmission facilities to the Independent System Operator (ISO) in 1998. Additional information regarding the FERC, ISO and transmission issues is provided in Note 14 of the notes to Consolidated Financial Statements.

SEMPRA GLOBAL AND SEMPRA FINANCIAL

Sempra Global consists of most of the businesses of Sempra Energy other than the California Utilities, and serves a broad range of customers' energy and other needs. Sempra Global includes Sempra Commodities, Sempra Generation, Sempra LNG and Sempra Pipelines & Storage. Descriptions of these business units and information concerning their operations and the operations of Sempra Financial are provided under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Notes 2, 3, 15 and 16 of the notes to Consolidated Financial Statements.

RATES AND REGULATION -- CALIFORNIA UTILITIES

Information concerning rates and regulations applicable to the California Utilities is provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Notes 1, 13 and 14 of the notes to Consolidated Financial Statements in the 2005 Annual Report to Shareholders, which is incorporated by reference.

EXHIBIT 31

Sempra LNG

NEWS RELEASE

Media Contact: Art Larson
Sempra Energy
(877) 866-2066
www.sempra.com

SEMPRA LNG AWARDED $1.4 BILLION MEXICO NATURAL GAS CONTRACT

- 15-Year Contract Begins in 2008
- Contract Supports CFE's Baja California Power Plant's Natural Gas Needs
- New Sempra LNG Receipt Facility to Provide Gas

SAN DIEGO, Jan. 11, 2005 – Sempra LNG, a unit of Sempra Energy (NYSE: SRE), today announced it has been awarded a 15-year natural gas supply contract by Mexico's state-owned electric utility, Comisíon Federal de Electricidad (CFE). The contract is estimated at $1.4 billion over its life and supports the CFE's future energy requirements in northern Baja California, including the Presidente Juarez power plant in Rosarito.

Beginning in 2008 and continuing through 2022, the agreement provides CFE with an average of about 130 million cubic feet per day (MMcf/d) of natural gas. Sempra LNG anticipates fulfilling the contract using natural gas processed at its Energía Costa Azul liquefied natural gas (LNG) receipt terminal. Energía Costa Azul is under development about 14 miles north of Ensenada, Baja California, and, when it is completed in 2008, will be the first LNG import facility on North America's West Coast, capable of processing 1 billion cubic feet of gas per day. The long-term CFE sales contract will consume more than one quarter of the 500 MMcf/d Sempra LNG is procuring from Indonesia.

-more-

On Oct. 12, 2004, Sempra LNG announced a supply agreement with BP and its Tangguh LNG partners for the supply of 3.7 million tonnes of LNG per year, (500 MMcf/day) from Indonesia to Energía Costa Azul. The Tangguh project site is not located near, nor was it affected, by the recent tsunami tragedy.

The cost of natural gas sold under the CFE contract will be based on the natural gas index prices at the Southern California border. The amount of natural gas to be delivered under the contract increases over time.

"Securing a long-term CFE sales contract of this size demonstrates that there is strong demand for reliable, competitively priced natural gas in the Pacific Southwest region," said Mark Snell, group president of Sempra Global, the umbrella for Sempra Energy's competitive energy businesses, including Sempra LNG. "As the energy needs continue to grow in Baja California and the Southwestern United States, we anticipate many others will follow CFE's lead and tap the resources of the West Coast's first LNG facility."

Energía Costa Azul is designed to help Baja California, Mexico, meet its long-term energy needs, providing, at the same time, significant supplies for the U.S. market. Sempra LNG is the sole owner and operator of Energía Costa Azul, but has signed a 20-year agreement to provide Shell International Gas Limited with half the facility's processing capacity, or 500 MMcf/day.

On Jan. 3, 2005, Sempra LNG announced the award of engineering, construction and procurement contracts for Energía Costa Azul. Techint SA de CV of Mexico, Black & Veatch of Kansas City, Mo., Mitsubishi Heavy Industries of Tokyo and Vinci Construction Grands Projects of France (BMVT) were awarded the approximately $500 million primary engineering, construction and procurement contract, while a joint venture involving the Costain Group PLC of London and China Harbour, one of China's largest construction groups, won the construction contract for the project's $170 million breakwater.

-more-

LNG is natural gas that has been cooled below minus-260 degrees Fahrenheit and condensed into a liquid. LNG occupies 600 times less space than in its gaseous state, which allows it to be shipped in cryogenic tankers from remote locations to markets where it is needed. At the receiving terminal, LNG is unloaded and stored until it can be vaporized back into natural gas and moved via pipeline to customers.

Sempra LNG, a unit of Sempra Global, oversees LNG project development. Sempra Energy (NYSE: SRE), based in San Diego, is a Fortune 500 energy services - holding company with 2003 revenues of $7.9 billion. The Sempra Energy companies' 13,000 employees serve more than 10 million customers in the United States, Europe, Canada, Mexico, South America and Asia.

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This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When the company uses words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "should" or similar expressions, or when the company discusses its strategy or plans, the company is making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: national, international, regional and local economic, competitive, political, legislative and regulatory conditions and developments; actions by the California Public Utilities Commission, the California State Legislature, the California Department of Water Resources, the Federal Energy Regulatory Commission and other regulatory bodies in the United States and other countries; capital market conditions, inflation rates, interest rates and exchange rates; energy and trading markets, including the timing and extent of changes in commodity prices; the availability of natural gas; weather conditions and conservation efforts; war and terrorist attacks; business, regulatory, environmental, and legal decisions and requirements; the pace of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; and other uncertainties, all of which are difficult to predict and many of which are beyond the company's control. These risks and uncertainties are further discussed in the company's reports filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, www.sec.gov and on the company's Web site, www.sempra.com.

Sempra LNG is not the same company as the utility, SDG&E or SoCalGas, and Sempra LNG is not regulated by the California Public Utilities Commission.

EXHIBIT 32

Sempra Generation completes acquisition of Nevada power plant

Media Contacts: Art Larson
Sempra Energy
(877) 866-2066
www.sempra.com

Analysts Contacts: Karen Sedgwick
Sempra Energy
(877) 736-7727

SAN DIEGO, July 26, 2005 – Sempra Generation, a subsidiary of Sempra Energy (NYSE: SRE), has completed its [previously announced purchase from Reliant Energy of Reliant's 50-percent interest in El Dorado Energy, a 480-megawatt (MW) natural gas fired, combined-cycle power plant in Boulder City, Nev.

Sempra Generation now owns the entire plant. The total transaction value for Reliant's 50-percent interest, including project debt, is approximately $132 million, including a cash payment to Reliant of approximately $76 million.

Sempra Generation announced its intention to purchase Reliant Energy's half of El Dorado Energy May 19, 2005.

Sempra Generation and Reliant Energy began their joint 50-50 ownership in the El Dorado Energy project in 1997. Since El Dorado Energy commenced operations in May 2000, Sempra Generation's power assets have grown to more than 3,800 megawatts in Nevada, Arizona, California, Texas and Mexico.

El Dorado Energy is located about 40 miles southeast of Las Vegas and has unrestricted access to multiple power markets.

In addition to providing clean, efficient energy to the Southwest markets, El Dorado Energy also is equipped with a 100-kilowatt solar field, comprised of 256 panels that track the sun's path through the Nevada sky.

Sempra Generation develops, acquires, operates and maintains power plants and energy infrastructure for competitive markets.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2004 revenues of $9.4 billion. The Sempra Energy companies' more than 13,000 employees serve more than 29 million consumers in the United States, Europe, Canada, Mexico, South America and Asia.

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This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When the company uses words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "should" or similar expressions, or when the company discusses its strategy or plans, the company is making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions by the California Public Utilities Commission, the California State Legislature, the California Department of Water Resources, the Federal Energy Regulatory Commission and other regulatory bodies in the United States and other countries; capital markets conditions, inflation rates, interest rates and exchange rates; energy and trading markets, including the timing and *extent of changes in commodity prices; the availability of natural gas; weather conditions and conservation efforts; war and terrorist attacks; business, regulatory, environmental, and legal decisions and requirements; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These risks and uncertainties are further discussed in the company's reports filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, www.sec.gov and on the company's Web site, www.sempra.com.*

Sempra Generation is not the same company as the utilities SDG&E/SoCalGas, and it is not regulated by the California Public Utilities Commission.

Close Window

EXHIBIT 33

Kinder Morgan Energy Partners and Sempra Pipelines & Storage Begin Open Seasons for Rockies Express Pipeline Projects

Media Contacts:	Jennifer Andrews Sempra Energy (877) 866-2066 www.sempra.com	Analysts Contacts:	Karen Sedgwick Sempra Energy (877) 736-7727

HOUSTON, Nov. 9, 2005 – Kinder Morgan Energy Partners, L.P. (NYSE: KMP) and Sempra Pipelines & Storage, a unit of Sempra Energy (NYSE: SRE) today announced the start of two separate binding open seasons to solicit shipper support for the proposed Rockies Express natural gas pipeline, to obtain commitments for an extension of a pipeline being built by Entrega Gas Pipeline Inc., a subsidiary of EnCana Corporation (TSX, NYSE: ECA), and for a potential expansion of Entrega's currently certificated facilities. Entrega is operated by KMP. Approximately 2 billion cubic feet per day (Bcf/d) of capacity is anticipated to be made available through the Rockies Express project, which KMP is developing in conjunction with Sempra Pipelines & Storage. Up to 1 Bcf/d of capacity is expected to be made available through the Entrega open season. The open seasons for both projects began today at 8 a.m. CST and continue until 5 p.m. CST Dec. 19.

The approximately 1,350-mile, 42-inch diameter Rockies Express Pipeline will be the largest built in the United States in more than 20 years, and will deliver natural gas from producing areas in the Rocky Mountain region to the upper Midwest and eastern United States. The planned route of the pipeline originates at the Cheyenne Hub in Weld County, Colo., and extends to the Clarington Hub in eastern Ohio. Pending shipper commitments and regulatory approvals, the first segment of the proposed Rockies Express Pipeline is projected to be in service by late 2007. The second and third segments of the pipeline are expected to begin service in 2008 and 2009, respectively.

The binding Entrega open season is seeking commitments for capacity that will be available by extending the 330-mile pipeline already under construction from the Meeker Hub in Rio Blanco County, Colo., to the Wamsutter Hub in Sweetwater County, Wyo., and which will ultimately reach the Cheyenne Hub in Weld County, Colo. The proposed extension would run from Wamsutter west to the Opal Hub in Lincoln County, Wyo. It is anticipated that the Kinder Morgan-Sempra project group will purchase Entrega Gas Pipeline which will become a part of the integrated Rockies Express Pipeline. The open season will also solicit binding commitments for expansion of the currently certificated Entrega facilities, which will be accomplished through turn back of capacity or compression expansion of the system. The expected in-service date of the Entrega extension or expansion is late 2007; however, Entrega envisions that interim service may be available prior to that date and intends to negotiate mutually acceptable terms with interested shippers.

Information related to these open seasons can be obtained by contacting Jeff Rawls at Kinder Morgan (303) 914-4903 or Ryan O'Neal at Sempra Pipelines & Storage (619) 696-4585. Additional details, including a map and detailed open season procedures related to the projects can be obtained from the Rockies Express web page at www.kindermorgan.com.

Kinder Morgan Energy Partners, L.P. is one of the largest publicly traded pipeline limited partnerships in America. KMP owns or operates more than 25,000 miles of pipelines and approximately 145 terminals. Its pipelines transport more than 2 million barrels per day of gasoline and other petroleum products and up to 8.4 billion cubic feet per day of natural gas. Its terminals handle over 80 million tons of coal and other dry-bulk materials annually and have a liquids storage capacity of approximately 65 million barrels for petroleum products and chemicals. KMP is also the leading provider of CO2 for enhanced oil recovery projects in the United States.

The general partner of KMP is owned by Kinder Morgan, Inc. (NYSE: KMI), one of the largest energy transportation and storage companies in America. Combined, the two companies have an enterprise value of approximately $30 billion.

Sempra Pipelines & Storage acquires, builds and operates natural gas pipelines and storage facilities in Mexico and the United States. Sempra Energy, based in San Diego, is a Fortune 500 energy-services holding company with 2004 revenues of $9.4 billion. The Sempra Energy companies' 13,000 employees serve more than 29 million consumers in the United States, Europe, Canada, Mexico, South America and Asia.

This news release includes forward-looking statements. Although Kinder Morgan believes that its expectations are based on reasonable assumptions, it can give no assurance that such assumptions will materialize. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein are enumerated in Kinder Morgan's Forms 10-K and 10-Q as filed with the Securities and Exchange Commission.

This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When Sempra Energy uses words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "should" or similar expressions, or when Sempra Energy discusses its strategy or plans, the company is making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions by the California Public Utilities Commission, the California State Legislature, the California Department of Water Resources, the Federal Energy Regulatory Commission and other regulatory bodies in the United States and other countries; capital markets conditions, inflation rates, interest rates and exchange rates; energy and trading markets, including the timing and extent of changes in commodity prices; the availability of natural gas; weather conditions and conservation efforts; war and terrorist attacks; business, regulatory, environmental, and legal decisions and requirements; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These risks and uncertainties are further discussed in the company's reports filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, www.sec.gov and on the company's Web site, www.sempra.com.

Sempra Pipelines & Storage is not the same company as the utilities, SDG&E or SoCalGas, and Sempra Pipelines & Storage is not regulated by the California Public Utilities Commission.

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EXHIBIT 34

JUNE 16, 2008

Sempra Pipelines & Storage Seeks Partnership Stake in Sunstone; Partners Encouraged by Open Season

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TULSA, Okla., CALGARY, Alberta, and SAN DIEGO – Sunstone Pipeline, a venture of Williams (NYSE: WMB) and TransCanada Corporation (TSX, NYSE: TRP), announced today that Sempra Pipelines & Storage, a unit of Sempra Energy (NYSE: SRE), has signed a memorandum of understanding with the existing partners to acquire a 25 percent ownership interest in Sunstone Pipeline and for a Sempra Energy affiliate to contract for a significant amount of capacity in the proposed natural gas pipeline. The estimated US$2.34 billion pipeline project would run from the Rockies to Oregon.

The news that Sempra Pipelines & Storage intends to acquire a stake in Sunstone came shortly after the conclusion of an open season for transmission capacity from the Rocky Mountain supply area at Opal, Wyo., to Stanfield, Ore. Seven other shippers have made commitments to the proposed pipeline.

"We are encouraged by the results of the open season and are pleased to welcome the proposed partnership with Sempra Pipelines & Storage," said Phil Wright, president of Williams Gas Pipeline Company. "This strong showing provides the momentum to continue discussions with several potential customers – including both market area and producer customers. This is a clear demonstration of the growing level of market support for the Sunstone project."

"We believe the Sunstone Pipeline is the most promising of the proposed westbound natural gas pipelines from the Rocky Mountain producing region," said George S. Liparidis, president and chief executive officer of Sempra Pipelines & Storage. "With expanding production in the Rockies, the Sunstone Pipeline will provide needed transportation from this basin to meet growing demand in the Pacific Northwest and California markets and offer a critical supply alternative for these gas customers."

"Many of those that executed Sunstone Pipeline precedent agreements have agreed to cost-based rates for the project," said Hal Kvisle, president and chief executive officer of TransCanada. "Their support underscores Sunstone's advantages in providing western states with cost-effective new access to growing Rocky Mountain production."

Sunstone Pipeline is a proposed 585-mile, 42-inch-diameter pipeline with capacity of up to 1.2 billion cubic feet per day. The project, which is proposed for service in 2011, would involve constructing a new pipeline substantially parallel to the existing Northwest Pipeline system which is jointly owned by Williams and Williams Pipeline Partners L.P. (WMZ). Sunstone will originate at the Opal Hub in Wyoming and extend to Stanfield, Ore., where it will interconnect with Williams Northwest Pipeline system and TransCanada's Gas Transmission Northwest (GTN) pipeline system.

From Stanfield, natural gas can reach California and Nevada markets via GTN. Natural gas could also flow to Pacific Northwest markets such as Seattle and Portland via Williams Northwest Pipeline system and the proposed Blue Bridge Pipeline. Natural gas could also reach Oregon markets off of GTN via the proposed Palomar Pipeline.

About Williams
Williams, through its subsidiaries, finds, produces, gathers, processes and transports natural gas. Williams' operations are concentrated in the Pacific Northwest, Rocky Mountains, Gulf Coast, and Eastern Seaboard. More information is available at http://www.williams.com. Go to http://www.b2i.us/irpass.asp?BzID=630&to=ea&s=0 to join our e-mail list.

About TransCanada
TransCanada is a leader in the responsible development and reliable operation of North American energy infrastructure. TransCanada's network of more than 36,500 miles of pipeline taps into virtually all major gas supply basins in North America. TransCanada is one of the continent's largest providers of gas storage and related services with approximately 355 billion cubic feet of storage capacity. A growing independent power producer, TransCanada owns, controls or is developing approximately 8,300 megawatts of power generation.

About Sempra Pipelines & Storage
Sempra Pipelines & Storage acquires, builds and operates natural gas pipelines and storage facilities in Mexico and the United States. Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2007 revenues of more than $11 billion. The Sempra Energy companies' 13,500 employees serve more than 29 million consumers worldwide.

Close Window

EXHIBIT 35

Sempra generating new energy

With big lawsuit resolved, CEO Felsinger is eager to improve company's reputation

By Craig D. Rose
UNION-TRIBUNE STAFF WRITER

June 18, 2006

Donald Felsinger has been chief executive of Sempra Energy for nearly six months, but until last week the company remained captive to a previous era.

It was only then that a Superior Court judge approved the settlement of a class action suit that had jeopardized the company with a potential $23 billion penalty. A judgment of that scale would have bankrupted the San Diego company.

NADIA BOROWSKI SCOTT / Union-Tribune
Donald Felsinger joined Sempra Energy 34 years ago, working his way up the ranks to become chairman and chief executive this year.

The suit had hung over Sempra for nearly six years, during the tenure of Felsinger's predecessor, Stephen Baum. But it became Felsinger's problem when he assumed the top post early this year. And Felsinger sounded relieved to get past it.

"Now we can focus on the future," he said in reaction to the settlement's approval.

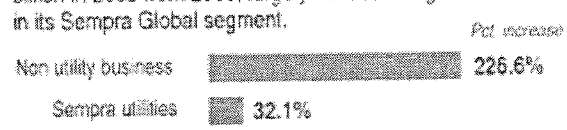
The 58-year-old engineer had labored more than three decades for the opportunity to occupy the top spot at Sempra. Though the company has positioned itself as a modern, diversified energy company, Felsinger's rise has been decidedly old-fashioned.

Felsinger's vision of the future sounds more like a return to the basics of the energy business than the last decade or so, in which Sempra and similar companies expanded to new businesses as they sought to thrive in an industry roiled by market deregulation.

In a recent interview, Felsinger reflected on his rise through the ranks of Sempra and its predecessor companies. He also offered views about global warming, for which he says there is inconclusive evidence.

Sempra net income by segment

Sempra's net income has more than doubled to $1.13 billion in 2005 from 2000, largely because of growth in its Sempra Global segment.



SOURCE: Sempra Energy CRAIG BLANCHARD / Union-Tribune

Felsinger pointed down from a 19th floor conference room at Sempra's Ash Street headquarters to the modest downtown motel where he spent his first night in this town, after arriving for an interview with San Diego Gas & Electric, one of Sempra's utilities.

As a graduating engineer from the University of Arizona, Felsinger had a number of job prospects and was not sold on interviewing in San Diego.

"It was the lowest salary being offered," he recalled. "But my wife said, 'Have you ever been to San Diego?'

"Well, she had and that's why I came."

Salary doesn't seem to be an issue anymore – Felsinger earned $2.4 million last year, excluding stock options – and in the 34 years since he joined the company, he's done what few did then and fewer now even aspire to: He worked a succession of jobs as he climbed the corporate ladder to the top.

Along the way, SDG&E, through merger and acquisition, grew into an international energy company with a major role in commodity trading.

Sempra has 14,000 employees, serves 23 million customers and is among the largest distributors of natural gas in the country. It is the parent company of Southern California Gas Co., as well as a host of other subsidiaries.

Through SDG&E, Sempra also is regaining control of the region's electricity supply through the ownership of local power plants. It owns the newly built Palomar Energy Center in Escondido and is negotiating to buy a plant under construction on Otay Mesa.

The process is reversing the sell-off of power plants that Sempra was forced to undertake when it was created through the merger of Enova Corp. and Pacific Enterprises – then the parent company of SoCal Gas – in the 1990s.

The company also has a firm grip on regional natural gas distribution, with its ownership of the two regional utilities and the construction of a liquefied natural gas receiving terminal in Baja California.

Few observers expect Sempra, whose profits have soared as it has diversified, to undertake a major course change under Felsinger. But Felsinger by some accounts is eager to improve the company's reputation, which has been tarnished by allegations by California Attorney General Bill Lockyer and other state officials that Sempra behaved like Enron during the state power crisis in manipulating markets and costing customers hundreds of millions of dollars.

Sempra's 2005 annual meeting in London also sparked criticism of the company and Baum that it had engaged in a pricey overseas junket that deprived U.S. shareholders of their chance to question top executives. Some shareholders also have complained about they consider an excessive retirement package for Baum.

But if Felsinger is eager to improve the company's image, he's made it clear he won't be doing it by criticizing Baum, who presided over a strong period of growth and diversification.

At Sempra's annual meeting last month, Felsinger defended Baum's pension – about $180,000 monthly for life – and defended the company's decision to hold its previous meeting in London.

And although SDG&E says it will comply with state mandates on renewable energy, Felsinger says he no interest in pursuing renewable energy projects elsewhere in the company.

In fact, he expresses no interest in dealing with the issue of global warming, although environmentalists generally target the energy industry as among the biggest contributors to the problem.

But Felsinger said he is unconvinced that the phenomenon of global warming exists.

"There is definitely a debate about global warming, and when you look at the opposing views, neither one has prevailed," Felsinger said. For example, he said, "The coal industry says there is no evidence of global warming."

Later he added: "I don't think the science supports either side. So you ought to take a position of moderation. It's difficult to take sides between smart people."

His lack of conviction about global warming puts him at odds with the majority of climate scientists, as well as with views embraced by Gov. Arnold Schwarzenegger and California Public Utilities Commission President Michael Peevey, both of whom have been pressing for caps on the emissions from the energy industry.

Michael Shames, executive director of the Utility Consumers' Action Network, a group that frequently criticizes Sempra and SDG&E, said his impression of Felsinger is that he's a "pretty straight shooter."

But Shames said he was stunned to learn that Felsinger wasn't convinced climate change is a growing problem.

"I am shocked if he is denying that global warming is a problem," Shames said. "I'll accept there is a debate on how to deal with it, but for an energy executive not to have concluded it's a problem is irresponsible and shocking."

Sempra recently backed away from plans to construct coal-fired power plants in Nevada and Idaho after community opposition to the projects. Advances in coal technology notwithstanding, environmentalists still consider coal the most damaging of the fossil fuels.

SDG&E also says it will comply with a state requirement that it derive 20 percent of its electricity from renewable energy sources by 2010.

But Felsinger says he's reluctant to invest in renewable energy technologies beyond what the state requires.

"I will deploy our dollars in a way that is less controversial," Felsinger said.

His interpretation of less controversial, however, is a matter of debate.

Sempra is investing heavily in projects related to natural gas, including liquefied natural-gas receiving terminals in Baja California and along the Gulf Coast.

The LNG terminals are a source of controversy, as critics argue that importing gas will continue U.S. dependence on a fossil fuel and at the same time raise the cost of the commodity because of the cost of shipping and processing.

Sempra argues that LNG will be needed to make up for a impending shortfall in North American production and that imports will hold prices of natural gas low.

Sempra is also planning to invest in a pipeline that would move gas from fields in Wyoming to the Midwest.

Felsinger grew up in the small, southeastern Arizona town of Safford. He was raised by his grandparents, who supported themselves with farm work.

"We were a fairly poor family," he said.

Early on, he demonstrated a capacity to work hard, holding down a full-time job while taking a full course load at the University of Arizona. Felsinger said he had to support his wife and two children.

"That motivated me to hurry and get out of school," he said smiling, adding that he finished college in 3 1/2 years.

How Felsinger rose from his hardscrabble start impressed Baum, who said he views the new CEO as someone who is to a great extent self-educated.

"I am enormously impressed by that kind of person," Baum said.

Felsinger is a "very cool customer" and proved unflappable in circumstances that would rattle others, Baum added, noting in particular his role in settling the class action suit.

"He was under a lot of pressure," Baum said. "This was a lawsuit that could have destroyed the company. And he really handled it very well."

Acquaintances and associates characterize Felsinger as down-to-earth and approachable. To relax, he says he spends time outdoors and likes upland bird hunting.

As president of Sempra Global, Felsinger oversaw the company's largely profitable ventures outside the utility industry. They include the commodity trading business, which has garnered a growing share of the company's profits, along with electric generating plants in California and other states.

It was diversification, Felsinger said, that allowed SDG&E to avoid the bankruptcy or near insolvency that the other big state utilities experienced during the California's electricity crisis.

"Had Sempra not existed, I think SDG&E would have been bankrupt," he said. "Remember, we had $800 million in undercollections (money owed the company from customers when rates soared) and we probably would have filed for bankruptcy."

As things stood, Felsinger said, the situation got serious enough that Sempra considered selling its commodity trading business to raise capital. That may have been a bad decision, as trading in the first quarter this year provided 45 percent of Sempra's profits while earnings from utility businesses slumped.

In reaction to the failed experiment with deregulation, Felsinger said he remains mindful that regulated utilities once again have the responsibility to keep the lights on.

"My mission is to make sure our employees are taken care of and we do all we can to make sure our customers get energy at the lowest costs possible," he said.

"It's companies like Sempra that have to plan for the future and have to look out five to 10 years to make sure that the people who depend on the gas and electricity that we provide get what they need."

Those outside the company generally are reluctant to compare what they expect Felsinger will bring to the company with Baum's legacy.

"I'm not going to compare Steve and Don," said Jessie Knight Jr., president of San Diego Regional Chamber of Commerce. "But under Don I think the company will be much more open with the community, probably a little higher profile."

Former Sempra board member Tom Stickel said he was "very pro Don Felsinger."

"Don always seemed both thoughtful and eager to consider opportunities that went beyond your traditional utility, while keeping the perspective of your responsibility as a public utility," said Stickel, founder and chairman of Coronado First Bank.

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EXHIBIT 36

Global Warming Twenty Years Later: Tipping Points Near

James Hansen[1]

My presentation today is exactly 20 years after my 23 June 1988 testimony to Congress, which alerted the public that global warming was underway. There are striking similarities between then and now, but one big difference.

Again a wide gap has developed between what is understood about global warming by the relevant scientific community and what is known by policymakers and the public. Now, as then, frank assessment of scientific data yields conclusions that are shocking to the body politic. Now, as then, I can assert that these conclusions have a certainty exceeding 99 percent.

The difference is that now we have used up all slack in the schedule for actions needed to defuse the global warming time bomb. The next President and Congress must define a course next year in which the United States exerts leadership commensurate with our responsibility for the present dangerous situation.

Otherwise it will become impractical to constrain atmospheric carbon dioxide, the greenhouse gas produced in burning fossil fuels, to a level that prevents the climate system from passing tipping points that lead to disastrous climate changes that spiral dynamically out of humanity's control.

Changes needed to preserve creation, the planet on which civilization developed, are clear. But the changes have been blocked by special interests, focused on short-term profits, who hold sway in Washington and other capitals.

I argue that a path yielding energy independence and a healthier environment is, barely, still possible. It requires a transformative change of direction in Washington in the next year.

On 23 June 1988 I testified to a hearing, chaired by Senator Tim Wirth of Colorado, that the Earth had entered a long-term warming trend and that human-made greenhouse gases almost surely were responsible. I noted that global warming enhanced both extremes of the water cycle, meaning stronger droughts and forest fires, on the one hand, but also heavier rains and floods.

My testimony two decades ago was greeted with skepticism. But while skepticism is the lifeblood of science, it can confuse the public. As scientists examine a topic from all perspectives, it may appear that nothing is known with confidence. But from such broad open-minded study of all data, valid conclusions can be drawn.

My conclusions in 1988 were built on a wide range of inputs from basic physics, planetary studies, observations of on-going changes, and climate models. The evidence was strong enough that I could say it was time to "stop waffling". I was sure that time would bring the scientific community to a similar consensus, as it has.

While international recognition of global warming was swift, actions have faltered. The U.S. refused to place limits on its emissions, and developing countries such as China and India rapidly increased their emissions.

What is at stake? Warming so far, about two degrees Fahrenheit over land areas, seems almost innocuous, being less than day-to-day weather fluctuations. But more warming is already "in-the-pipeline", delayed only by the great inertia of the world ocean. And climate is nearing dangerous tipping points. Elements of a "perfect storm", a global cataclysm, are assembled.

Climate can reach points such that amplifying feedbacks spur large rapid changes. Arctic sea ice is a current example. Global warming initiated sea ice melt, exposing darker ocean that absorbs more sunlight, melting more ice. As a result, without any additional greenhouse gases, the Arctic soon will be ice-free in the summer.

More ominous tipping points loom. West Antarctic and Greenland ice sheets are vulnerable to even small additional warming. These two-mile-thick behemoths respond slowly at first, but if disintegration gets well underway it will become unstoppable. Debate among scientists is only about how much sea level would rise by a given date. In my opinion, if emissions follow a business-as-usual scenario, sea level rise of at least two meters is likely this century. Hundreds of millions of people would become refugees. No stable shoreline would be reestablished in any time frame that humanity can conceive.

Animal and plant species are already stressed by climate change. Polar and alpine species will be pushed off the planet, if warming continues. Other species attempt to migrate, but as some are extinguished their interdependencies can cause ecosystem collapse. Mass extinctions, of more than half the species on the planet, have occurred several times when the Earth warmed as much as expected if greenhouse gases continue to increase. Biodiversity recovered, but it required hundreds of thousands of years.

The disturbing conclusion, documented in a paper[2] I have written with several of the world's leading climate experts, is that the safe level of atmospheric carbon dioxide is no more than 350 ppm (parts per million) and it may be less. Carbon dioxide amount is already 385 ppm and rising about 2 ppm per year. Stunning corollary: the oft-stated goal to keep global warming less than two degrees Celsius (3.6 degrees Fahrenheit) is a recipe for global disaster, not salvation.

These conclusions are based on paleoclimate data showing how the Earth responded to past levels of greenhouse gases and on observations showing how the world is responding to today's carbon dioxide amount. The consequences of continued increase of greenhouse gases extend far beyond extermination of species and future sea level rise.

Arid subtropical climate zones are expanding poleward. Already an average expansion of about 250 miles has occurred, affecting the southern United States, the Mediterranean region, Australia and southern Africa. Forest fires and drying-up of lakes will increase further unless carbon dioxide growth is halted and reversed.

Mountain glaciers are the source of fresh water for hundreds of millions of people. These glaciers are receding world-wide, in the Himalayas, Andes and Rocky Mountains. They will disappear, leaving their rivers as trickles in late summer and fall, unless the growth of carbon dioxide is reversed.

Coral reefs, the rainforest of the ocean, are home for one-third of the species in the sea. Coral reefs are under stress for several reasons, including warming of the ocean, but especially because of ocean acidification, a direct effect of added carbon dioxide. Ocean life dependent on carbonate shells and skeletons is threatened by dissolution as the ocean becomes more acid.

Such phenomena, including the instability of Arctic sea ice and the great ice sheets at today's carbon dioxide amount, show that we have already gone too far. We must draw down atmospheric carbon dioxide to preserve the planet we know. A level of no more than 350 ppm is still feasible, with the help of reforestation and improved agricultural practices, but just barely – time is running out.

Requirements to halt carbon dioxide growth follow from the size of fossil carbon reservoirs. Coal towers over oil and gas. Phase out of coal use except where the carbon is captured and stored below ground is the primary requirement for solving global warming.

Oil is used in vehicles where it is impractical to capture the carbon. But oil is running out. To preserve our planet we must also ensure that the next mobile energy source is not obtained by squeezing oil from coal, tar shale or other fossil fuels.

Fossil fuel reservoirs are finite, which is the main reason that prices are rising. We must move beyond fossil fuels eventually. Solution of the climate problem requires that we move to carbon-free energy promptly.

Special interests have blocked transition to our renewable energy future. Instead of moving heavily into renewable energies, fossil companies choose to spread doubt about global warming, as tobacco companies discredited the smoking-cancer link. Methods are sophisticated, including funding to help shape school textbook discussions of global warming.

CEOs of fossil energy companies know what they are doing and are aware of long-term consequences of continued business as usual. In my opinion, these CEOs should be tried for high crimes against humanity and nature.

Conviction of ExxonMobil and Peabody Coal CEOs will be no consolation, if we pass on a runaway climate to our children. Humanity would be impoverished by ravages of continually shifting shorelines and intensification of regional climate extremes. Loss of countless species would leave a more desolate planet.

If politicians remain at loggerheads, citizens must lead. We must demand a moratorium on new coal-fired power plants. We must block fossil fuel interests who aim to squeeze every last drop of oil from public lands, off-shore, and wilderness areas. Those last drops are no solution. They yield continued exorbitant profits for a short-sighted self-serving industry, but no alleviation of our addiction or long-term energy source.

Moving from fossil fuels to clean energy is challenging, yet transformative in ways that will be welcomed. Cheap, subsidized fossil fuels engendered bad habits. We import food from halfway around the world, for example, even with healthier products available from nearby fields. Local produce would be competitive if not for fossil fuel subsidies and the fact that climate change damages and costs, due to fossil fuels, are also borne by the public.

A price on emissions that cause harm is essential. Yes, a carbon tax. Carbon tax with 100 percent dividend[3] is needed to wean us off fossil fuel addiction. Tax and dividend allows the marketplace, not politicians, to make investment decisions.

Carbon tax on coal, oil and gas is simple, applied at the first point of sale or port of entry. The entire tax must be returned to the public, an equal amount to each adult, a half-share for children. This dividend can be deposited monthly in an individual's bank account.

Carbon tax with 100 percent dividend is non-regressive. On the contrary, you can bet that low and middle income people will find ways to limit their carbon tax and come out ahead. Profligate energy users will have to pay for their excesses.

Demand for low-carbon high-efficiency products will spur innovation, making our products more competitive on international markets. Carbon emissions will plummet as energy efficiency and renewable energies grow rapidly. Black soot, mercury and other fossil fuel emissions will decline. A brighter, cleaner future, with energy independence, is possible.

Washington likes to spend our tax money line-by-line. Swarms of high-priced lobbyists in alligator shoes help Congress decide where to spend, and in turn the lobbyists' clients provide "campaign" money.

The public must send a message to Washington. Preserve our planet, creation, for our children and grandchildren, but do not use that as an excuse for more tax-and-spend. Let this be our motto: "One hundred percent dividend or fight!"

The next President must make a national low-loss electric grid an imperative. It will allow dispersed renewable energies to supplant fossil fuels for power generation. Technology exists for direct-current high-voltage buried transmission lines. Trunk lines can be completed in less than a decade and expanded analogous to interstate highways.

Government must also change utility regulations so that profits do not depend on selling ever more energy, but instead increase with efficiency. Building code and vehicle efficiency requirements must be improved and put on a path toward carbon neutrality.

The fossil-industry maintains its strangle-hold on Washington via demagoguery, using China and other developing nations as scapegoats to rationalize inaction. In fact, we produced most of the excess carbon in the air today, and it is to our advantage as a nation to move smartly in developing ways to reduce emissions. As with the ozone problem, developing countries can be allowed limited extra time to reduce emissions. They will cooperate: they have much to lose from climate change and much to gain from clean air and reduced dependence on fossil fuels.

We must establish fair agreements with other countries. However, our own tax and dividend should start immediately. We have much to gain from it as a nation, and other countries will copy our success. If necessary, import duties on products from uncooperative countries can level the playing field, with the import tax added to the dividend pool.

Democracy works, but sometimes churns slowly. Time is short. The 2008 election is critical for the planet. If Americans turn out to pasture the most brontosaurian congressmen, if Washington adapts to address climate change, our children and grandchildren can still hold great expectations.

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[1] Dr. James E. Hansen, a physicist by training, directs the NASA Goddard Institute for Space Studies, a laboratory of the Goddard Space Flight Center and a unit of the Columbia University Earth Institute, but he speaks as a private citizen today at the National Press Club and at a Briefing to the House Select Committee on Energy Independence & Global Warming.

[2] Target atmospheric CO_2: where should humanity aim? J. Hansen, M. Sato, P. Kharecha, D. Beerling, R. Berner, V. Masson-Delmotte, M. Raymo, D.L. Royer, J.C. Zachos, http://arxiv.org/abs/0804.1126 and http://arxiv.org/abs/0804.1135

[3] The proposed "tax and 100% dividend" is based largely on the cap and dividend approach described by Peter Barnes in "Who Owns the Sky: Our Common Assets and the Future of Capitalism", Island Press, Washington, D.C., 2001 (http://www.ppionline.org/ppi_ci.cfm?knlgAreaID=116&subsecID=149&contentID=3867).